United Nations A/53/644

General Assembly

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5 November 1998

Original: English

Fifty-third session
Agenda item 83
United Nations Relief and Works Agency for Palestine Refugees in the Near East

Palestine refugees' properties and their revenues

Report of the Secretary-General

1. The present report is submitted in pursuance of General Assembly resolution 52/62 of 10 December 1997, entitled "Palestine refugees' properties and their revenues", which reads as follows:

> "*The General Assembly*,
>
> "...
>
> "1. *Reaffirms* that the Palestine Arab refugees are entitled to their property and to the income derived therefrom, in conformity with the principles of justice and equity;
>
> "2. *Requests* the Secretary-General to take all appropriate steps, in consultation with the United Nations Conciliation Commission for Palestine, for the protection of Arab property, assets and property rights in Israel and to preserve and modernize the existing records;
>
> "3. *Calls once more upon* Israel to render all facilities and assistance to the Secretary-General in the implementation of the present resolution;
>
> "4. *Calls upon* all the parties concerned to provide the Secretary-General with any pertinent information in their possession concerning Arab property, assets and property rights in Israel that would assist him in the implementation of the present resolution;
>
> "5. *Urges* the Palestinian and Israeli sides, as agreed between them, to deal with the important issue of Palestine refugees' properties and their revenues in the framework of the final status negotiations of the Middle East peace process;
>
> "6. *Requests* the Secretary-General to report to the General Assembly at its fifty-third session on the implementation of the present resolution."

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2. On 11 August 1998, the Secretary-General drew the attention of the Permanent Representative of Israel to the United Nations to resolutions 52/57 to 52/63 of 10 December 1997, with the request that the Permanent Representative of Israel inform him by 11 September 1998 of any steps his Government had taken or envisaged taking in implementation of the relevant provisions of the resolutions.

3. Also on 11 August 1998, the Secretary-General sent a note verbale to all other Member States, drawing their attention to the relevant provision of resolutions 52/57 to 52/63, including paragraph 4 of resolution 52/62, and requesting information by 11 September 1998 concerning any action taken or envisaged in relation to their implementation.

4. A reply dated 19 August 1998 was received from Israel, covering various aspects of resolutions 52/57 to 52/63. The text read as follows:

> "Israel's position on these resolutions has been set forth in successive annual replies submitted to the Secretary-General in recent years, the latest of which being Israel's note verbale of 28 July 1997. Israel regrets the fact that the resolutions regarding the United Nations Relief and Works Agency (UNRWA) remain rife with political issues irrelevant to the work for which UNRWA is responsible, and thus remain detached from the reality in the area. Accordingly, Israel abstained on resolution 52/60 and voted against resolutions 52/57, 52/59, 52/61, 52/62 and 52/63.
>
> "The agreements between Israel and the Palestinians mark significant progress in the framework of the peace process. Israel believes that this process is the only way to achieve historic reconciliation and lasting peace between the two sides. However, for this process to succeed, it is imperative that both sides abide by their commitments and resolve all outstanding issues through negotiations.
>
> "Israel believes that UNRWA can play an important role in promoting the social and economic advancement foreseen in the agreements between Israel and the Palestinians, within the limits of its humanitarian mandate, and accordingly looks forward to continuing the cooperation and good working relationship with UNRWA.
>
> "In the light of the above, Israel considers it essential that the General Assembly consolidate the resolutions regarding UNRWA into one resolution directly related to the Agency's humanitarian tasks. This would also be compatible with the necessity to rationalize the work of the General Assembly."

5. No replies have been received from other Member States with regard to paragraph 4 of resolution 52/62.

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General Assembly

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6 November 1998

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Fifty-third session
Agenda item 112
United Nations reform: measures and proposals

Revolving Credit Fund

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the Revolving Credit Fund (A/52/822). During its consideration of the report, the Advisory Committee met with the Under-Secretary-General for Management, who introduced the report and provided additional information and clarification on it.

2. As indicated in paragraph 1 of the report, the United Nations has experienced recurrent financial crises due to a large and growing volume of arrears of payments, notwithstanding the legal obligation of Member States to pay their assessed contributions in full, on time and without conditions. The Secretary-General points out that only a real commitment by Member States to meet their obligations fully will overcome the financial problems of the Organization.

3. As an immediate practical measure to complement the ongoing search for a more fundamental solution to the financial problems of the United Nations, the Secretary-General proposes, in paragraph 2 of his report, that Member States establish a Revolving Credit Fund, initially capitalized at a level of up to $1 billion through voluntary contributions or any other means of financing that Member States may wish to suggest.

4. The report of the Secretary-General contains details on the Secretary-General's proposal of the Revolving Credit Fund and spells out some of the practical aspects of its implementation. As indicated in paragraph 4 of the report, the establishment of the Revolving Credit Fund would constitute a major addition to the financial arrangements set out in the Financial Regulations and Rules of the United Nations.

5. The Advisory Committee points out that a number of issues pertaining to the functioning of the Revolving Credit Fund still remain unclear. For example, the report does not specify why the Fund should initially be capitalized at a level of up to $1 billion, given the fact that, according to paragraph 2 of the report of the Secretary-General on improving the financial situation of the United Nations (A/53/514), total unpaid assessments at 30 September 1998 amounted to over $2.5 billion, nor does it indicate the time when the Fund could be realistically expected to provide a sufficient source of cash reserve. Moreover, it is not clear what options the Secretary-General will have if Member States fail to respond to his notification or do not indicate the future date of payment of unpaid assessments. The Committee points out that, according to the Secretary-General, such notification will allow him to pledge it as security for borrowing at such time as he considers necessary from the Revolving Credit Fund (A/52/822, para. 2). Furthermore, the Committee questions the linkage between the treatment of retained surpluses and the Revolving Credit Fund.

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6. The Advisory Committee is also concerned that, on the one hand, the proposed establishment of the Revolving Credit Fund may put additional burden on those Member States that already fully meet their financial obligations and, on the other hand, it may not induce delinquent Member States to pay their contributions in full and on time, nor will it induce them to provide voluntary contributions to the Fund.

7. The Advisory Committee points out that the financial crisis of the United Nations results from the lack of political will of some Member States to pay their assessed contributions in full, on time and without conditions. This is a political rather than a financial problem and, as such, it cannot be successfully resolved by technical means. Moreover, the creation of the Revolving Credit Fund may dilute the attention of Member States towards finding an effective political solution to the financial crisis of the Organization.

8. In view of the comments and observations above, the Advisory Committee will refrain from commenting on the operations and procedures of the Revolving Credit Fund until such time as the General Assembly pronounces itself on the principles involved.

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General Assembly

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Fifty-third session
Agenda item 30
United Nations reform: measures and proposals

Revolving Credit Fund

Report of the Advisory Committee on Administrative and Budgetary Questions

Corrigendum

The agenda item *should read* as above.

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GENERAL ASSEMBLY
Fifty-third session
Agenda item 155
MEASURES TO ELIMINATE INTERNATIONAL
TERRORISM

SECURITY COUNCIL
Fifty-third year

Letter dated 6 November 1998 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

At approximately 9.45 this morning, as it was attempting to enter the crowded Mahane Yehuda market in downtown Jerusalem, a car laden with explosives detonated on Jaffa Street. Two individuals, apparently the terrorists, were killed in the blast, and about two dozen passersby were injured. Had these bombs not been detonated prematurely, scores of innocent citizens could have lost their lives and hundreds could have been permanently maimed or wounded.

This vicious attack comes in the wake of two other Palestinian terrorist outrages perpetrated against Israelis in the last few weeks: the grenade attack against commuters in the Beersheva bus station on 19 October, injuring 64, and the car bombing of a Jewish school bus in the Gaza District on 29 October, killing one and injuring three. These attacks were perpetrated by individuals who came from territories under the control of the Palestinian Authority.

This attack came several days after Israeli and Palestinian negotiators returned from signing the Wye River Memorandum, and at the very moment that discussions on its approval were being conducted in the Israeli Cabinet.

Under the Memorandum, the Palestinian side pledged to do everything in its power to prevent such acts. The ongoing implementation of the Wye River Memorandum is conditioned upon the Palestinian fulfilment of their agreed-upon security responsibilities.

This most recent terrorist outrage, and the two that have preceded it, have added new urgency to the Palestinian obligations to unequivocally stress its "zero tolerance for terror and violence" and to immediately ensure "systematic and effective combat of terrorist organizations and their infrastructure" as stipulated in the Memorandum (Clause II:A).

I should be grateful if you would have the text of this letter circulated as a document of the General Assembly, under agenda item 155, and of the Security Council.

(Signed) Dore GOLD
Ambassador
Permanent Representative